

Chapter 4 - Economic Development

4. Introduction

Economic development is critical to the future of Augusta. The creation of jobs and investment in facilities and equipment generates the income needed to sustain the community and attract additional development. Economic initiatives, in combination with population projections, housing, land use, community facilities and services, and natural resources, form a strategy for the economic well being of the city.

This chapter includes an inventory and assessment of Augusta's economic base, labor force characteristics, and economic development opportunities and resources. This profile is used to identify economic strengths and weaknesses, and enables the city to pinpoint specific economic development needs and goals. The economic development goals, in turn, help identify specific economic development initiatives that are part of the implementation strategy for the comprehensive plan.

4.1 Augusta Metropolitan Area

Augusta is at the heart of a metropolitan area spanning five counties and including over 477,000 residents (Census 2000). Total nonfarm employment in the Augusta MSA is approximately 200,000 (Georgia Department of Labor, 2001 Annual Average). In terms of employment in the private sector, major industries in the region include manufacturing, retail trade, professional and business services, educational and health services, and leisure and hospitality services. Government accounts for 19.5% of total employment, with state and local government employment averaging a total of 31,700.

Principal components of the manufacturing sector include textiles and apparel, paper and allied products, chemicals, transportation equipment, stone, clay and glass products, food products, and furniture, lumber and wood products. Most of the manufacturing facilities are located in modern industrial parks and / or in close proximity to needed resources (e.g. water) and the surface transportation network (primarily highways and railroads).

Retail trade establishments employ 24,000 MSA residents and tend to be concentrated in strip commercial centers, shopping malls and downtown Augusta, Aiken, North Augusta, Grovetown, Evans, Martinez and Thomson. Examples of retail trade establishments include grocery stores, drug stores, department stores, furniture stores, and general merchandise stores. Combined sales of the 1,883 retail establishments in the region exceeded \$3.8 billion in 1997 (Census of Retail Trade, 1997).

Professional and business service companies employ approximately 29,700 residents and are concentrated in the urbanized parts of the metropolitan area. Health care and social services employ approximately 18,900 residents and include area hospitals, clinics, nursing homes, social service agencies, and the offices of doctors, dentists and other health care practitioners. Health care and social service facilities are located in urban and suburban sites throughout the region, with the largest concentration in the medical complex near downtown Augusta.

Leisure and hospitality establishments include such uses as restaurants, hotels, motels, nightclubs, movie theaters, and museums. Over 17,000 area residents are employed in such establishments, which tend to be

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concentrated in historic downtowns, suburban shopping centers, and along commercial strips. The high level of employment in this category reflects the strength of tourism and convention business, and the fact that the metropolitan area is home to many special events and cultural facilities.

Government is a final major employment sector in the metropolitan area. Major government employers in the area include Fort Gordon, the Savannah River Site, state universities and technical colleges, the Medical College of Georgia, local school systems, and federal, state and local government agencies. Fort Gordon and the Savannah River Site are located on large sites earmarked for their use many years ago. Local elementary and secondary schools are scattered throughout the metropolitan area. General government offices and courts tend to be located downtown or in new town centers such as Evans.

4.1.1 Fort Gordon and the Savannah River Site

Fort Gordon, located in southwest Augusta, is the home of the U. S. Army Signal Center, the world's largest training facility in communications and electronics. A fixture in the community since the 1940s, the Fort accounts for employment of about 17,000 area residents, 10,000 of who live off base. Counting payroll and procurement of goods, services and new construction, the Fort's annual economic impact on the area exceeds \$1.0 billion. The Fort is also home to the Dwight D. Eisenhower Army Medical Center. Eisenhower Medical Center provides primary health care services to more than 90,000 active and retired military personnel and their families. In addition to the 15th Signal Brigade, Fort Gordon is home to components of the 513th Military Intelligence Brigade. The 513th MI Brigade provides intelligence and electronic warfare support to combat units.

Fort Gordon was spared from closing under the first four rounds of Base Realignment and Closure (BRAC) during the 1990s. In fact, to date none of the thirteen (13) military installations in Georgia have been affected by BRAC. This means that Georgia installations, including Fort Gordon, will be more vulnerable when the BRAC Commission makes a new list of recommended base closures in the fall of 2005. In response to this challenge, community leaders have formed the CSRA Alliance for Fort Gordon. The group is charged with developing a strategic plan to protect the Fort from closure, sponsoring a single point of contact in Washington, D.C. with information on the Fort, and establish new missions at the Fort.

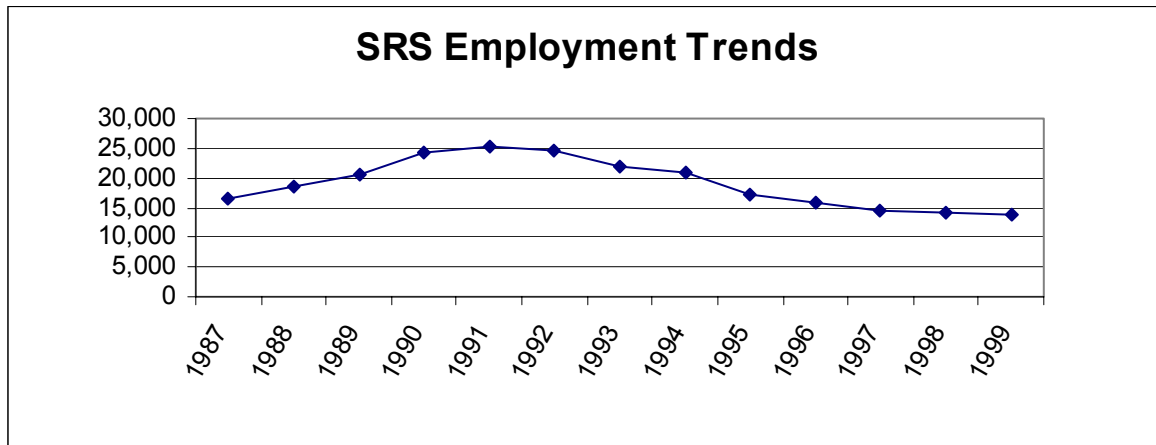
A second federal government facility important to the Augusta area is the Savannah River Site (SRS). SRS is a key Department of Energy (DOE) nuclear installation. Owned by DOE's Savannah River Operations Office, and operated under contract by the Westinghouse Savannah River Company (WSRC), the site covers some 198,344 acres (310 square miles) encompassing parts of Aiken, Barnwell and Allendale counties in South Carolina.

SRS was constructed during the early 1950s to produce the basic materials used in the fabrication of nuclear weapons, primarily tritium and plutonium-239. The site originally consisted of five reactors to produce nuclear materials by irradiating target materials with neutrons. Support facilities included two chemical separation plants, a heavy water extraction plant, a nuclear fuel and target fabrication facility and waste management facilities.

The end of the Cold War in 1990 resulted in significant changes at SRS. All five of the aging nuclear reactors were "mothballed" and the site's primary mission shifted from production of nuclear materials to

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waste management and environmental monitoring. Budget reductions resulted in downsizing at SRS that has a ripple effect on the region's economy in recent years.



According to information in a study titled "Economic Impact of the Savannah River Site", July 2001, SRS downsizing has had a substantial effect on the region's employment and income levels. Total SRS employment declined from 25,180 in 1991 to 13,854 in 1999. Aiken, Richmond, and Columbia County residents accounted for 7,067 (62%) of the jobs lost through a combination of voluntary and involuntary separation during this period. The estimated number of Richmond County (Augusta) residents working at SRS declined from 3,876 in 1991 to 1,593 in 2000.

In addition to job losses, the region lost income as a result of reduced expenditures at SRS. The economic impact study calculated that total expenses at SRS decreased by 26.4% during 1991-1999. As a result, the states of South Carolina and Georgia experienced a total direct and indirect income loss of as much as \$2.9 billion from 1992 - 1999. People in the eight counties closest to the site accounted for approximately 75% of the lost income. Additional analysis revealed that the reduction in budget and workforce at SRS had a significant impact on the growth of total personal income in many counties, especially between 1993 and 1996.

In spite of the downsizing, SRS remains a significant employer and income generator. Annual expenditures by SRS remain in the range of \$1.4 billion to \$2.0 billion (1987 - 1999). In the wake of the reductions in force, the Department of Energy appropriated \$34 million to SRS during 1993 - 1996 to assist local communities to plan and implement economic development projects. Strategies to spur job creation include the privatization of non-classified SRS operations, the transfer of technology for commercial use, technical assistance, networking with community organizations, and providing funds for building infrastructure.

4.2 Economic Base of Augusta

Augusta has a diversified economy that mirrors the MSA economy in many respects. Employment is highest in the service, retail trade and manufacturing sectors. Manufacturing facilities in the city produce textiles, paper products, chemicals, transportation equipment, and food products. Retail trade establishments are located in the downtown, in shopping centers on major roads, and on individual sites,

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and provide for the daily needs of area residents. Large facilities such as Augusta Mall and Augusta Exchange draw customers from throughout region.

Major employers in the service sector include health care and related facilities, educational institutions and business service establishments. Eight hospitals are the most visible component of the city's health care industry. (See description in Community Facilities chapter) Additional health care jobs are provided at clinics, nursing homes, laboratories, and the offices of doctors, dentists and other health care practitioners. Major educational institutions providing employment include the Medical College of Georgia, Paine College, Augusta State University, Augusta Technical College, and the Richmond County Board of Education.

4.2.1 Employment by Sector

Employment figures are a reflection of the economic base of Augusta. Table E-1 shows employment within Richmond County, between 1991 and 2000 for each major sector of the economy. The data indicate that services, retail trade and manufacturing sectors account for approximately 75% of total employment. These three sectors have dominated in the past and are expected to lead the way in the future.

Table E-1
Employment Trends by Sector
Richmond County, 1991-2000

Industry	1991	% of Total	1995	% of Total	2000	% of Total
Agriculture	275	0.28%	322	0.32%	364	0.34%
Mining	130	0.13%	134	0.13%	52	0.05%
Construction	4,038	4.10%	3,659	3.62%	6,028	5.60%
Manufacturing	12,908	13.10%	12,964	12.84%	13,263	12.30%
TCPU	3,345	4.40%	3,528	3.49%	4,518	4.20%
Wholesale Trade	4,157	4.22%	3,482	3.45%	3,042	2.80%
Retail Trade	20,041	20.34%	21,086	20.88%	21,481	19.92%
FIRE	3,583	3.64%	3,883	3.84%	3,197	2.96%
Services	42,576	43.21%	45,541	45.09%	50,190	46.53%
Public Administration	7,448	7.56%	6,396	6.33%	5,722	5.31%
TOTAL	98,529	100%	100,997	100%	107,857	100%

Source: Georgia Department of Labor, Data represents jobs in the county covered by unemployment insurance laws.

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Employment in Richmond County is expected to increase by 27,574 (26%) over the next 25 years, from 107,857 to 135,431 (see Table E-2). Services, retail trade and manufacturing continue to be the three largest sectors. In 2025, services account for 63,687 jobs, or 47% of total employment. Jobs in retail trade total 26,545 (19.6%), and another 17,266 (12.7%) in manufacturing.

Table E-2
Employment Projections
Richmond County, 2005-2025

Industry	2000	2005	2010	2015	2020	2025
Agriculture	364	375	381	369	378	384
Mining	52	50	55	54	61	57
Construction	6,028	6,502	6,695	6,743	6,830	6,971
Manufacturing	13,263	14,412	15,155	15,974	16,780	17,266
TCPU	4,518	4,818	5,025	5,234	5,432	5,620
Wholesale Trade	3,042	3,374	3,543	3,684	3,792	3,898
Retail Trade	21,481	22,431	23,513	24,577	25,641	26,545
F.I.R.E	3,197	3,448	3,616	3,771	3,927	4,132
Services	50,190	54,544	56,904	59,210	61,280	63,687
Public Administration	5,722	6,154	6,443	6,510	6,778	6,871
TOTAL	107,857	116,108	121,330	126,126	130,899	135,431

Source: Georgia Department of Labor, 200 data; Augusta-Richmond County Planning Commission, 2005-2025 projections.

Table E-3 compares the percentage of jobs by sector in Richmond County with adjacent counties and the state of Georgia. The data show that regionally services, retail trade, government and manufacturing are the leading employment sectors. The presence of several state facilities and Fort Gordon explains why government workers account for 23% of employment in Richmond County.

4.2.2 Wage Levels

Table E-4 shows current and historic average weekly wages paid within each employment sector, and compares the most recent Richmond County averages with state level totals. The figures indicate that average weekly wages are rising in all employment sectors. Between 1992 and 2000, gains were especially significant in the Finance, Insurance and Real Estate (FIRE) sector (125.0%) and the Mining sector (39.0%). However, average weekly wages are below the state averages in all of the sectors except Manufacturing and FIRE. The average weekly wage in Richmond County was \$539. This is \$119 less than the average weekly wage statewide. One possible explanation for the lower wage rates is that lower paying sectors, such as Services and Retail Trade, account for a large share of total employment in Richmond County. Another contributing factor is that Augusta and Richmond County experienced

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relatively low growth during the 1990s, thus making it possible for employers to attract or retain employees at relatively low wages when compared to other fast-growing markets.

Table E-3
Comparison of Sector Employment, 2004
Richmond, Columbia and McDuffie Counties, the State of Georgia

Industry	Richmond	Columbia	McDuffie	Georgia
Agriculture	0.1%	0.3%	5.3%	1.2%
Mining	0.1%	0.5%	1.0%	0.3%
Construction	4.5%	11.3%	7.8%	5.2%
Manufacturing	11.4%	14.4%	22.2%	12.6%
Wholesale Trade	2.1%	2.3%	0.8%	5.3%
Retail Trade	12.5%	13.4%	13.7%	11.7%
Services (except Government)	45.8%	41.8%	29.1%	48.2%
Government	23.2%	16.0%	20.1%	15.5%
Total - Private Sector	76.8%	84.0%	79.9%	84.5%
Total - Government	23.2%	16.0%	20.1%	15.5%

Source: Georgia Department of Labor, Area Labor profiles and Georgia Nonagricultural Employment.

NOTE: The data reflect the conversion from the 1987 Standard Industrial Classification (SIC) basis to the 2002 North American Industry Classification System (NAICS) basis.

Table E-4
Wage Levels by Industry
Richmond County, 1992 – 2000

Industry	Average Weekly Wage				
	Richmond County				Georgia
	1992	1995	1998	2000	2000
All Sectors	\$432	\$462	\$519	\$539	\$658
Agriculture	\$235	\$259	\$353	\$347	\$403
Mining	\$590	\$779	\$949	\$820	\$879
Construction	\$404	\$434	\$513	\$568	\$655
Manufacturing	\$596	\$658	\$741	\$776	\$721
Transportation/Utilities	\$566	\$588	\$597	\$596	\$949
Wholesale Trade	\$541	\$600	\$651	\$730	\$968
Retail Trade	\$224	\$248	\$282	\$290	\$350
F.I.R.E	\$441	\$467	\$900	\$993	\$967
Services	\$462	\$490	\$521	\$535	\$657
Public Administration	\$415	\$435	\$535	\$546	\$608

Source: Georgia Department of Labor, Area Labor Profiles and Georgia Employment And Wages, 2000.

4.2.3 Income and Earnings

Income is another important component of Augusta's economic base. Tables E-5 and E-6 compare median household income and per capita income figures for Richmond County, the Augusta MSA, Georgia and the United States. Table E-5 shows that while both median household and per capita income figures increased in Richmond County between 1989 and 1999, they remain well below comparable levels for the metropolitan area, the state, and the nation. Table E-6 reveals that Richmond County's median household income is only 78% of the state's median household income and 79% of the comparable national figure. These percentages are lower than they were in 1989, indicating that local income levels are not increasing as fast as the state and national income levels. A comparable trend is evident for per capita income.

Table E-5
Household and Per Capital Income Trend
Richmond County, Augusta MSA, Georgia and United States, 1989 – 1999

	Median Household Income		Per Capita Income	
	1989	1999	1989	1999
Richmond County	\$25,265	\$33,086	\$11,799	\$17,088
Augusta MSA	\$28,490	\$38,103	\$12,721	\$18,744
Georgia	\$29,021	\$42,433	\$13,631	\$21,154
United States	\$30,056	\$41,994	\$14,420	\$21,587

Source: Census 1990, STF3 and 2000, SF3

Table E-6
Income as a Percentage of Georgia and United States Figures
Richmond County and Augusta MSA, 1989 and 1999

	Median Household Income		Per Capita Income	
	1989	1999	1989	1999
Percent of Georgia				
Richmond County	87.1%	77.9%	86.6%	80.8%
Augusta MSA	98.2%	89.8%	93.3%	88.6%
Percent of United States				
Richmond County	84.1%	78.8%	81.9%	79.2%
Augusta MSA	94.8%	90.7%	88.2%	86.8%

Source: Census 1990, STF3 and 2000, SF3

Source of personal income is another indicator of the economic health of a community. The Georgia Department of Community Affairs, with the assistance of Woods and Poole Economics, Inc., has developed estimates and projections of the sources of personal income for all Georgia counties. In developing this information, personal income is divided into the following five categories:

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1. Wage and Salary – Total income earned as compensation for working or rendering services;
2. Other Labor Income – Total employer contributions to private pension or worker's compensation funds;
3. Proprietor's Income – Proprietor's income measures total profits earned from partnerships and sole proprietorships;
4. Dividends – Investment – Rent and Interest Payments, and Interest Income – Total income from investments and rental property; and
5. Transfer Payments – Total income from payments by the government under many different programs, such as Social Security, unemployment insurance, SSI, food stamps, and veterans benefits.

Table E-7 shows the source of personal income by type for Richmond County and the state of Georgia between 1990 and 2000. The data indicate that wage and salary income accounts for nearly three-fourths of personal income in Richmond County. This is well above the state average for Wage and Salary income. Locally, Proprietors' Income and Dividends – Interest – Rent Income are below state averages, indicating that Richmond County has a lower percentage of self-employed people and people with long-term investments.

Table E-7
Sources of Personal Income by Type – 1990 – 2000
Richmond County and Georgia

	1990		1995		2000	
	Richmond County	Georgia	Richmond County	Georgia	Richmond County	Georgia
Wage and Salary	73.8%	60.4%	72.9%	59.0%	77.7%	61.2%
Other Labor	13.6%	8.7%	13.2%	8.6%	11.4%	6.8%
Proprietor's Income	5.3%	7.1%	3.2%	7.9%	4.2%	8.6%
Dividends, Interest & Rent	15.7%	17.3%	15.5%	16.3%	17.9%	16.8%
Transfer Payments	13.8%	10.9%	17.9%	12.6%	17.6%	11.1%
Residence Adjustment	-17.5%	-0.10%	-18.2%	-0.2%	-24.3%	-0.1%

Source: Georgia Department of Community Affairs, Data for Planning, Woods and Poole Economics, Inc., 2002.

Included with the Source of Personal Income figures is a Residence Adjustment factor, which measures the net amount of personal income of residents of the county that is earned outside the county. A positive number means that the amount of income earned outside the county by residents is greater than the amount of income earned in the county by nonresidents. Richmond County's negative Residence

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Adjustment factor indicates that the amount of income earned in the county by nonresidents exceeds the amount of income earned outside the county by residents. This is indicative of the fact that Augusta-Richmond County is home to a majority of the jobs in the metropolitan area and that a relatively small percentage of residents work outside the county. According to the projections in Table E-8, the profile of personal income sources in Richmond County is expected to remain about the same over the next 20 years.

Table E-8
Sources of Personal Income by Type - 2005 – 2025
Richmond County and Georgia

	2005		2015		2025	
	Richmond	Georgia	Richmond	Georgia	Richmond	Georgia
Wage & Salary Income	78.1%	61.1%	78.6%	60.9%	78.7%	60.9%
Other Labor Income	11.3%	6.7%	11.1%	6.5%	10.8%	6.3%
Proprietor's Income	4.1%	8.5%	4.1%	8.3%	4.0%	8.2%
Dividends, Interest & Rent	18.1%	16.8%	18.0%	16.6%	17.7%	16.3%
Transfer Payments	18.1%	11.2%	19.4%	11.7%	20.8%	12.2%
Resident Adjustment	-24.9%	0.33%	-25.9%	1.00%	-26.6%	1.35%

Source: Georgia Department of Community Affairs, Data for Planning, Woods and Poole Economics, Inc., 2002.

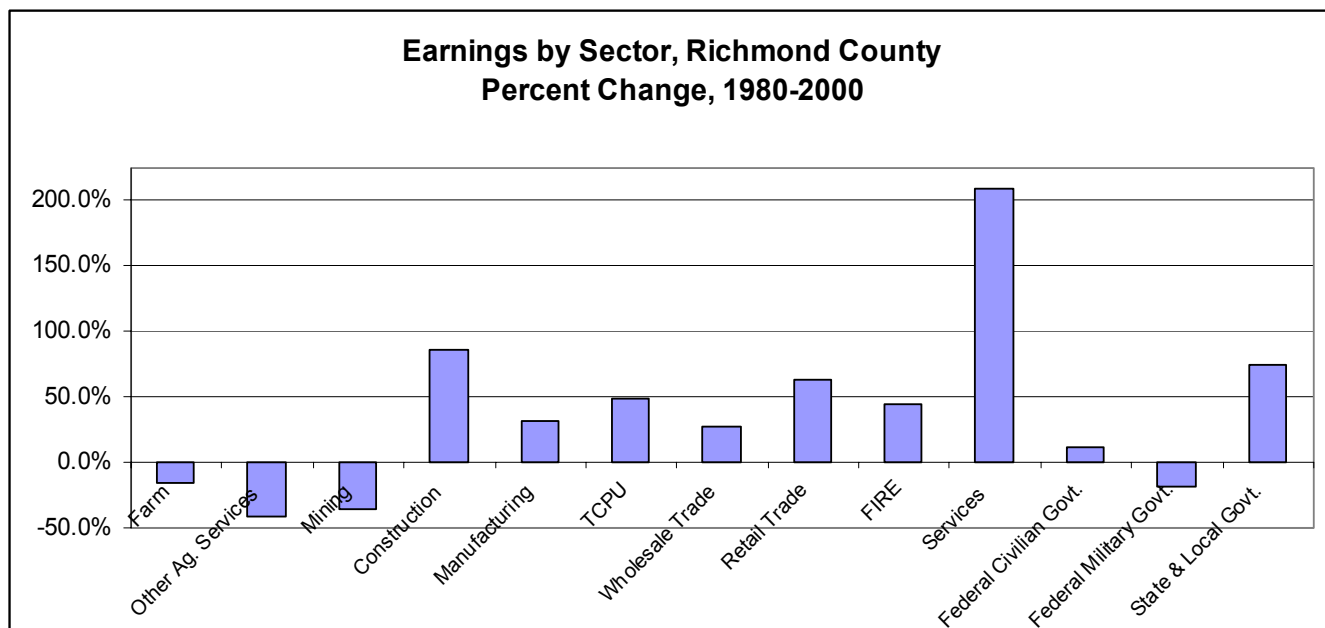
Earnings figures also reflect the growing importance of the service sector to the local economy. Table E-9 shows the trend in earnings by employment sector for Richmond County between 1980 and 2000. The numbers indicate that aggregate earnings in several sectors increased during the period. Notably increases were recorded in the following sectors: service, construction, state and local government, and retail trade. Aggregate earnings declined in the farming, agricultural services, mining, and federal military government sectors. Earnings in all sectors are projected to increase over the next 20 years (see Table E-10). Total earnings are projected to increase by approximately 34% to \$5.96 billion.

Table E-11 compares the percent earnings by sector for Richmond County and the state of Georgia. The figures indicate that the services, manufacturing and state and local government sectors are projected to account for the majority of earnings in Richmond County in 2025. Statewide services, manufacturing and TCPU are expected to be the top three sectors in 2025.

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Table E-9
Earnings by Sector, 1980-2000
Richmond County

Employment Sector	1980	1990	2000
Farm	\$1,199,000	\$774,000	\$1,014,000
Agricultural Services, Other	\$14,042,000	\$5,639,000	\$8,227,000
Mining	\$4,443,000	\$5,193,000	\$2,863,000
Construction	\$121,566,000	\$288,944,000	\$226,157,000
Manufacturing	\$453,163,000	\$611,815,000	\$597,092,000
Trans, Communications, & Public Utilities (TCPU)	\$115,754,000	\$119,012,000	\$172,536,000
Wholesale Trade	\$109,540,000	\$150,334,000	\$139,661,000
Retail Trade	\$230,800,000	\$317,850,000	\$377,584,000
Finance, Insurance, & Real Estate (FIRE)	\$96,339,000	\$111,824,000	\$138,754,000
Services	\$320,753,000	\$764,600,000	\$990,180,000
Federal Civilian Government	\$274,387,000	\$320,036,000	\$307,258,000
Federal Military Government	\$521,970,000	\$392,441,000	\$427,364,000
State & Local Government	\$432,273,000	\$563,694,000	\$756,931,000
Total	\$2,696,230,000	\$3,652,160,000	\$4,145,620,000
All figures in 1996 dollars			
Source: Woods & Poole Economics, Inc.			



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Table E-10
Projected Earnings by Sector, 2005 – 2025
Richmond County

Employment Sector	2005	2015	2025
Farm	\$1,086,000	\$1,252,000	\$1,473,000
Agricultural Services, Other	\$8,982,000	\$10,361,000	\$12,113,000
Mining	\$3,065,000	\$3,436,000	\$3,834,000
Construction	\$233,318,000	\$248,346,000	\$264,146,000
Manufacturing	\$626,973,000	\$696,746,000	\$769,000,000
Trans, Communications, & Public Utilities (TCPU)	\$184,903,000	\$208,911,000	\$231,046,000
Wholesale Trade	\$149,601,000	\$169,854,000	\$194,014,000
Retail Trade	\$400,351,000	\$446,910,000	\$494,271,000
Finance, Insurance, & Real Estate (FIRE)	\$151,820,000	\$177,508,000	\$208,983,000
Services	\$1,138,180,000	\$1,507,380,000	\$1,967,970,000
Federal Civilian Government	\$310,437,000	\$327,632,000	\$347,045,000
Federal Military Government	\$453,805,000	\$506,389,000	\$557,108,000
State & Local Government	\$786,122,000	\$843,195,000	\$909,382,000
Total	\$4,448,640,000	\$5,147,920,000	\$5,960,390,000

All figures in 1996 dollars

Source: Woods & Poole Economics, Inc.

Table E-11
Percent Earnings by Sector, 2000 and 2025
Richmond County and Georgia

Employment Sector	Richmond County		Georgia	
	2000	2025	2000	2025
Farm	0.02%	0.02%	0.98%	0.79%
Agricultural Services, Other	0.20%	0.20%	0.59%	0.62%
Mining	0.07%	0.06%	0.27%	0.18%
Construction	5.46%	4.43%	6.00%	5.06%
Manufacturing	14.40%	12.90%	14.86%	12.53%
Trans, Comm., & Public Utilities (TCPU)	4.16%	3.88%	9.89%	9.63%
Wholesale Trade	3.37%	3.26%	8.44%	7.71%
Retail Trade	9.11%	8.29%	8.99%	8.71%
Finance, Insurance, & Real Estate (FIRE)	3.35%	3.51%	7.57%	7.82%
Services	23.88%	33.02%	26.77%	33.73%
Federal Civilian Government	7.41%	5.82%	3.39%	2.33%
Federal Military Government	10.31%	9.35%	2.06%	1.53%
State & Local Government	18.26%	15.26%	10.18%	9.37%

Source: Woods & Poole Economics, Inc.

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4.3 Labor Force Characteristics

The labor force characteristics of a community provide potential investors and private companies with insights into the availability of workers, skill levels, occupations, and employment levels. This section includes an inventory and assessment of Richmond County's labor force. Information is provided on employment, unemployment, labor force participation, occupations, and commuting patterns. Local data are compared to state and national figures as appropriate.

4.3.1 Labor Force and Employment

Table E-12 indicates that Richmond County residents comprise 39% of the civilian labor force, and 38% of the employed residents, in the Augusta metropolitan area. This is not surprising because Richmond County is the most populous of the metro area counties and home to the greatest number of businesses. The unemployment rate in Richmond County is currently higher than the comparable rate for the metropolitan area and the state of Georgia. Such factors as education levels, job skill levels, poverty rates, and variations in overall economic conditions contribute to the unemployment rate.

Table E-12
Resident Labor Force, Annual Average, 2001
Augusta MSA and State of Georgia

	Civilian Labor Force	Employed	Unemployed	Percent Unemployed
Georgia	4,131,569	3,966,348	165,221	4.0%
Augusta MSA	207,079	197,361	9,718	4.7%
Richmond Co.	79,030	74,704	4,326	5.5%
Columbia Co.	44,362	43,256	1,106	2.5%
McDuffie Co.	9,687	9,021	666	6.9%
Aiken Co.	64,620	61,390	3,230	5.0%
Edgefield Co.	9,380	8,990	390	4.2%

Source: Georgia Department of Labor, Area Labor Profiles

Recent trends show that labor force and employment levels in Richmond County have been variable over the last 10-12 years. The data in Table E-13 indicates that labor force and employment levels were comparatively high in 1990, dropped by approximately 7%-8% by 1995, and recovered to some extent by the year 2000.

The downturn in the mid-1990s is partly explained by the layoffs at the Savannah River Site and the ripple effect it had on the metro area economy. During the ten-year period, Richmond County's unemployment rate remained at or significantly above the state of Georgia unemployment rate. Recent

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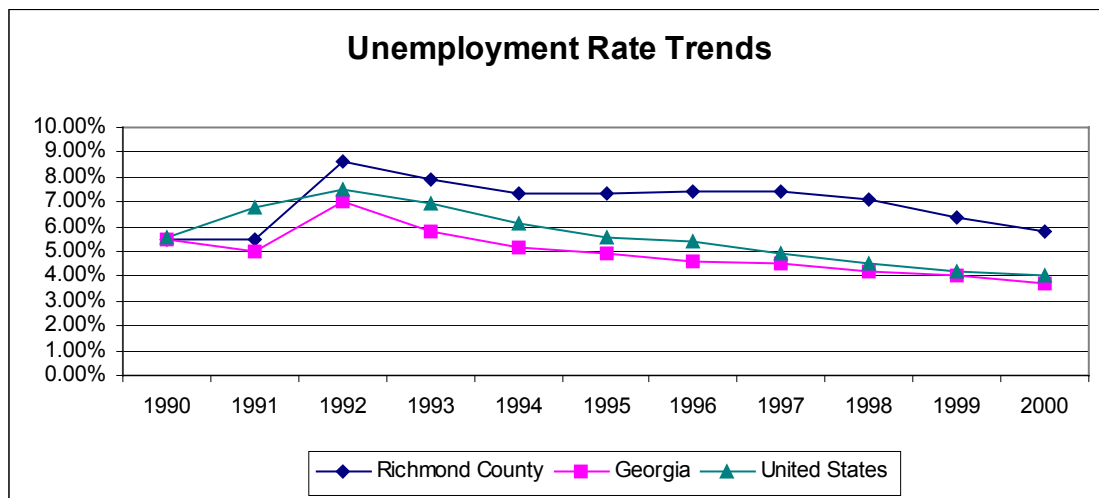
data indicate that Richmond county labor force and employment levels continue to trend upward, but have yet to reach the levels recorded in 1990.

The chart below compares unemployment rates for Richmond County, Georgia and the United States between 1990 and 2000. The data show that the local unemployment rate was consistently higher than the rates for the state and nation. This disparity is partly a reflection of the fact that Richmond County did not fully share in the nationwide economic expansion that took place during the 1990s.

Table E-13
Labor Force and Employment Trends, 1990 - 2000
Richmond County

Year	Labor Force	Employment	Unemployment	% Unemployed	
				Richmond Co.	Georgia
1990	85,649	80,910	4,739	5.5%	5.5%
1995	79,857	74,048	5,809	7.3%	4.9%
2000	80,429	75,761	4,668	5.8%	3.7%

Source: Georgia Department of Labor, Area Labor Profiles Employment by Place of Residence.



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4.3.2 Labor Force Participation

Table E-14 lists recent trends in labor force participation rates for Richmond County, Georgia and the United States. The labor force participation rate is the percentage of the resident population 16 years and over in the workforce. In 1990 the local labor force participation rate totaled 65.7% of persons 16 years and older. This was slightly higher than the United States (65.3%) and lower than the Georgia rate (67.9%). Similar trends were evident for both males and females in the labor force. Due to the presence of Fort Gordon, the military labor force participation rate was significantly higher than in the state and nation.

Table E-14
Labor Force Participation Rates, 1990 and 2000
Richmond County, Georgia, and the United States

	1990			2000		
	Richmond	Georgia	U.S.	Richmond	Georgia	U.S.
Total in Labor Force	65.7%	67.9%	65.3%	62.3%	66.1%	63.9%
Civilian Labor Force	59.2%	66.4%	64.4%	57.2%	65.0%	63.4%
Military Labor Force	6.5%	1.5%	0.9%	5.1%	1.1%	0.5%
Males in Labor Force	74.8%	76.6%	74.5%	68.2%	73.1%	70.7%
Females in Labor Force	57.3%	59.9%	56.8%	56.9%	59.4%	57.5%

Source: Census 1990, STF3, and Census 2000, SF3.

Labor force participation rates declined across the board between 1990 and 2000. Significantly, Richmond County labor force participation rates dropped more dramatically than the state and national rates. Among the factors that contributed to the decline are the aging of the population, outmigration of the work-age population, higher unemployment rates, and higher rates of growth in other parts of Georgia.

4.3.3 Occupations

Information on employment by occupation indicates the mix of skill levels in a community's workforce. This information is useful to companies interested in expanding or locating a new business in the community. Skill levels also indicate the relative need for vocational training programs.

Table E-15 shows the percentage of employment by occupation in Augusta, Richmond County, Georgia and the United States. Locally management, professional and related occupations account for the greatest percentage of jobs. This is followed by jobs in sales and office occupations and service occupations. The local occupation mix is similar to the combination in the metropolitan area, the state and the nation. The percentage of management and professional workers is slightly higher in the MSA, state and nation than in Augusta.

Table E-15
Percent Employment by Occupation, 2000
Augusta, Richmond County, Augusta MSA, Georgia and the United States

Occupation	Augusta	Richmond County	Augusta MSA	Georgia	United States
Management, professional, and related occupations	30.7%	30.5%	32.4%	32.7%	33.6%
Service occupations	18.5%	18.4%	15.5%	13.4%	14.9%
Sales and office occupations	25.4%	25.3%	24.2%	26.8%	26.7%
Farming, fishing, and forestry occupations	0.2%	0.2%	0.5%	0.6%	0.7%
Construction, extraction, and maintenance occupations	9.4%	9.7%	10.9%	10.8%	9.4%
Production, transportation, and material moving occupations	15.8%	16.0%	16.6%	15.7%	14.6%

Source: Census 2000 Summary File 3 (SF 3) - Sample Data.

4.3.4 Commuting Patterns

Data on commuting patterns reinforce the fact that a majority of employed Richmond County residents work within the county. Table E-16 shows that in 2000 eighty percent of employed residents worked within the county. This is down slightly from 83% in 1990. The data indicate that about 9% of employed residents commute to jobs in Columbia County and another 6% to workplaces in Aiken County, S.C. The number of residents commuting to Columbia County increased during the decade, while the number going to Aiken County declined. Some of the factors contributing to this trend included increasing retail and service jobs in Columbia County and the loss of jobs at the Savannah River Site.

Table E-16
Commuting Patterns, 1990 and 2000
Employed Residents of Richmond County

Place of Work	1990		2000	
	Number	Percent	Number	Percent
Richmond County	72,793	83%	67,645	80%
Columbia County	4,014	5%	7,637	9%
Aiken County, SC	7,118	8%	5,051	6%
Other Locations	3,359	4%	4,516	5%
Total Reporting	87,284		84,849	
Total Out Migration	14,491	16%	17,204	20%

Source: Census Bureau, Journey-to-Work Data, 1990 and 2000

4.4 Recent Economic Activities and Trends

Augusta and Richmond County have experienced steady if not spectacular economic development and growth in recent years. The local economy went through a period of readjustment during the mid-1990s as downsizing took place at the Savannah River Site and managed care affected the health care industry. Being a border community, Augusta is sometimes at a competitive disadvantage in industrial recruitment, and lost out on more than one occasion to nearby communities in South Carolina. Examples of economic development "lows" included the decision by Titleist, Inc. not to locate a manufacturing plant in the area (1997), the decision by Hankook Synthetics, Inc. to delay indefinitely the construction of a polyester fiber plant (1998), layoffs at Sibley Mill (1999), and the closing of Regency Mall (2000).

The local economy has adjusted to the changes in the market and continues to experience new investment and the creation of new jobs. The box on the following page identifies the capital investment of new and existing industry in Augusta and Richmond County in recent years. The list is only part of the story. Countless small businesses have been established or expanded, and new retail and office space continues to be added to the market. The Augusta Exchange Shopping Center is the most visible addition to Augusta's retail market. Located on 80 acres near the junction of I-20 and I-520, Augusta Exchange contains over 800,000 square feet of retail space. Major anchors include Target, Circuit City, the Sports Authority, Comp USA, and a Winn Dixie Marketplace. The center has attracted additional commercial development to other nearby sites.

In addition, Augusta's medical community continues to invest in new equipment and facilities. Both University Hospital and MCG have added new specialized facilities in recent years. Another trend is the expansion of the call and service center industry. The Augusta area is now home to 12 call and/or service centers employing a total of about 3,200 area residents. The presence of college students and military spouses is one factor making the area attractive to such companies.

Recent Business Investment Augusta-Richmond County

New Companies

- International Flavors and Fragrances (1996) \$35.0 million
- Sitel (1999) \$3 million
- Delta Airlines Reservation Center (1999) \$3 million
- Standard Textile (2001) \$4 million
- Civic Development Group (2002) \$1 million

Expansion of Existing Companies

- Humana Hospital (1997) \$14.0 million
- MCG Children's Medical Center (1998) \$53.0 million
- Murray Biscuit (2000) \$11 million (2002) \$30 million
- Boral Bricks (2000) \$10.2 million
- Garrett Aviation (2001) \$1.4 million
- Tyco Healthcare / Kendall Co. (2002) \$4 million
- PCS Nitrogen (2002) \$14 million
- Solvay Advanced Polymers (2002) \$13 million
- General Chemical (2002) \$1 million
- Monsanto Co. (2002) \$30 million
- Comcast (2001) \$4 million
- Knology (2001) \$1 million

Source: Augusta Metro Chamber of Commerce.

The public and private sectors continue to work together to plan for the future of the area economy. The JOBS NOW project is one example of this collaboration. In 2001, public and private sector representatives formed the Augusta Community Economic Development Strategy (CEDS) Committee to implement the JOBS NOW project. Between fall 2001 and summer 2002, the CEDS Committee met monthly to identify the strengths and weaknesses of the economy and outline a vision for future growth.

The committee then established goals, objectives and strategies to address the following issues: community appearance, tourism, commercial air service, education, community awareness of local development efforts, capacity-building, local programs for attracting jobs and investment, and attracting

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new missions to Fort Gordon. Staff of the CSRA Regional Development Center facilitated the committee meetings.

The JOBS NOW action plan was published in July 2002 and the project strategies are now being implemented. The action plan identifies the agencies and organizations responsible for implementing individual strategies. The CEDS Committee meets quarterly to review progress on implementation and to revise strategies based on changing conditions. The JOBS NOW plan was jointly financed by the City of Augusta, the Development Authority of Richmond County and the U. S. Department of Commerce.

At the same time, the Augusta Metro Chamber of Commerce is forming a new, independent organization to attract new business to the area. Plans are being finalized for the creation of the Augusta Regional Partnership; a 17-member board that will assume the economic development activities historically handled by the chamber. Among other things, the Partnership will be responsible for marketing Richmond, Columbia and Burke Counties to business and industry. The organization is modeled after the Aiken-Edgefield (S.C.) Economic Development Partnership and will include representatives from the public and private sectors.

4.5 Economic Development Resources

Economic development resources are vital to the expansion and retention of business in any community. Augusta is fortunate to have a wide variety of such resources to draw upon in maintaining a climate favorable to business and investment. This section summarizes the economic development agencies and financing mechanisms available in the community.

4.5.1 Economic Development Agencies

- **Development Authority of Richmond County** – The Development Authority of Richmond County is a nine-member board appointed by the Augusta Commission. The purpose of the Development Authority is to develop and promote trade, commerce, industry and employment opportunities in Richmond County. Pursuant to the Georgia Development Authorities Law (O.C.G.A. 36-62-1 - 36-62-14), the Development Authority has broad powers to finance and construct a wide variety of economic development projects throughout the county.
- **Downtown Development Authority** – The Downtown Development Authority of Augusta is a seven-member board appointed by the Augusta Commission. The purpose of the Downtown Development Authority is to help finance the cost of rehabilitation and redevelopment of the Augusta Central Business District (CBD). Pursuant to the Georgia Downtown Development Authorities Law (O.C.G.A. 36-42-1 - 36-42-16), the Downtown Development Authority has broad powers to finance and construct a wide variety of projects in the CBD. The CBD includes the area extending from the west side of Fifteenth Street through the west side of East Boundary, and from the Savannah River through the south side of Laney Walker Boulevard.
- **Augusta Metro Chamber of Commerce** - The mission of the Augusta Metro Chamber of Commerce is to enhance the economic prosperity of Richmond, Columbia and Burke counties by promoting the location, development and expansion of new and existing businesses. The Chamber is a non-profit organization funded by the voluntary dues of the members. The Chamber offers opportunities for

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involvement by small and large businesses through committees, roundtables and special activities. The Small Business Development Council, Women in Business Committee, Economic Development Council, Existing Industry Committee, and Military Affairs Committee are but a few of the programs and services offered by the Chamber. Each spring during the Masters® Golf Tournament the Chamber hosts the Red Carpet Tour, a special event to market the Augusta area as a business location for new and existing companies.

- **Augusta Housing and Neighborhood Development Department** – The Housing and Neighborhood Development Department is the city agency that administers the Community Development Block Grant (CDBG), HOME Investment Partnership and Emergency Shelter Grant programs. The department administers financing programs including the Economic Development Loan Program, Recaptured UDAG Loan Program, Façade Rehabilitation Grant Program, and Mayor’s Business Investment Grant Program.
- **Augusta Technical College** – Augusta Technical College provides education and training in all types of businesses, ranging from certificate programs to associate degrees. It also has certificates in several specialist areas including manufacturing, customer service, construction, and distribution. Augusta Tech also coordinates the Georgia Quick-Start Program, a state initiative that trains employees free of charge for new and expanding businesses.
- **The Center for Advanced Technology (CADTEC)** – This program was established by Augusta Technical College to help CSRA manufacturers compete in the world market through technology transfer. CADTEC provides high quality, accessible and affordable workforce training, technology transfer and criterion-referenced assessments to area businesses, individuals and organizations. CADTEC helps its customers identify their needs and establish the specific training to meet those needs.
- **Mayor’s Film Office** – The goal of the Mayor’s Film Office is to attract the film and video industries to Augusta by providing aid and assistance to filmmakers. Services provided by the Film Office include a photographic library, location scouting, pre-production logistical support, production assistance, and liaison with city and state governments.
- **Mayor’s Business Action Team** – A network of people, organizations and programs that provide assistance and services to large and small businesses. The City of Augusta “Services to Business” publication lists contacts for the various business service and development programs. The “Services to Business” publication is available in print and on the Mayor’s Office website at http://augusta/departments/mayors_office/conducting_business.htm
- **Augusta-Richmond County Small Business Incubator** – This facility is located at 3140 Augusta Tech Drive adjacent to the Augusta Technical College campus. The building has a total of 18,000 square feet and includes office space for nineteen clients, manufacturing space, administrative offices, conference room, work/copy room and break room. The mission of the Small Business Incubator is to foster regional economic development by supporting entrepreneurs, small/disadvantaged businesses, and businesses expanding to the CSRA area by providing managerial & technical assistance, low office rental rates, and shared access to basic office services and equipment. These services are designed to allow clients to minimize the initial high costs associated with setting up the necessary

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facilities, equipment and services for a business environment. A Small Business Advisory Board, consisting of area business leaders, monitors clients' performance, progress and continued need for incubator assistance.

- **CSRA Business League** - The CSRA Business League is a non-profit advocacy organization that is governed by a Board of Directors comprised of local leaders from the business and corporate communities. The League represents a cross section of racial, social, economic, civic and professional groups networking and exchanging information and resources to improve the economic development of the entire community. The League assists with business plans, loan packaging, management assistance, technical assistance, grant writing, and marketing. League staff also helps with advertising, procurement, reference materials, and technical support (Internet, copying, faxing).
- **CSRA Regional Development Center** - The CSRA RDC is a public sector, non-profit planning and development agency serving a 14-county and 46-city region in the eastern portion of central Georgia. Augusta-Richmond County is a member of the CSRA RDC. The RDC's Department of Economic Development assists local governments and development organizations through grant writing and administration, strategic planning, and other technical assistance. In addition, the Economic Development Department acts as Secretary and Treasurer for the CSRA Unified Development Council (UDC), a council of Chambers of Commerce, and the Unified Development Authority (UDA), a joint development authority.

The CSRA Development Companies are units of the RDC that provide loans to small businesses for a variety of purposes. The Development Companies have operating relationships with the Small Business Administration (SBA), the Economic Development Administration (EDA), and the Department of Agriculture (USDA).

- **CSRA Unified Development Council** - The Unified Development Council (UDC) is a council of the Chambers of Commerce and other economic development organizations throughout the CSRA. The primary purpose of the UDC is to offer a forum of discussion and problem-solving for economic development professionals throughout the CSRA, who jointly pursue economic marketing, professional training and enrichment, and other special projects. The UDC has been in existence since 1983, and currently has fourteen (14) dues-paying member counties: Burke, Columbia, Glascock, Hancock, Jefferson, Jenkins, Lincoln, McDuffie, Richmond, Screven, Taliaferro, Warren, Washington, and Wilkes.
- **CSRA Unified Development Authority** - The Unified Development Authority is a joint development authority encompassing 13 CSRA counties, including Augusta-Richmond County. The CSRA UDA serves to promote the economic development of the Central Savannah River Area, to encourage cooperation among economic development organizations within the member counties, and to exercise all the powers and privileges (including tax credits) granted to development authorities pursuant to Georgia law. The CSRA RDC acts as Secretary and Treasurer of the CSRA UDA.
- **Georgia Department of Industry, Trade and Tourism**- The Georgia Department of Industry, Trade, and Tourism (GDITT) recruits businesses, trade partners, and tourists to Georgia. Working in collaboration with other state and federal programs, GDITT maintains a worldwide marketing effort targeting more than 15,000 companies with the potential to expand or relocate in Georgia. GDITT

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also supports the efforts of Georgia companies to expand their international markets. These efforts include helping small businesses participate in trade shows, providing contacts and consultants in international markets, and supplying extensive training resources.

- **Georgia Power Company, Community and Economic Development Division** - Georgia Power Company operates a full-service Community and Economic Development organization serving the entire state of Georgia. The division is a comprehensive, one-stop source for business and industrial location services. The Atlanta headquarters features the Georgia Resource Center, a state-of-the-art site selection facility that allows potential investors to see Georgia without traversing the entire state. The division also helps Georgia communities build their economic development attractiveness by offering leadership, strategy, infrastructure, and marketing consultation services.
- **Georgia Tech Economic Development Institute** - Augusta is home to one of 17 regional offices of Georgia Tech's Economic Development Institute (EDI). EDI offers an array of services with a common objective: to promote the growth of business in Georgia. Whether the goal is attracting new companies to Georgia, expanding existing enterprises, providing technical expertise for industrial projects or helping communities' plan for growth, EDI helps keep the state's economy moving forward. EDI assists company managers and business owners, city and county government officials and economic development professionals.

For Georgia business and industry, EDI provides technical assistance, management training and other assistance designed to improve productivity and help companies become more competitive in world markets. EDI supports Georgia's economic development efforts by conducting specialized professional development courses, performing economic development research, helping Georgia communities prepare for growth and connecting relocating or expanding companies with resources at Georgia Tech.

- **UGA Small Business Development Center** – Augusta is home to one of 19 offices of the University of Georgia's Business Outreach Services/Small Business Development Center (SBDC). The mission of the BOS/SBDC is to enhance the economic well being of Georgia citizens by providing business and economic development assistance. Among the services provided by the organization are consulting and educational opportunities, economic research, identifying procurement opportunities and sources of capital for minority entrepreneurs, and helping existing businesses take advantage of state and local incentives for job creation.
- **Georgia Department of Community Affairs, Regional Office # 7** – Augusta is home to one of 12 Regional Service Delivery offices established by state law 1999. The regional office in Augusta is staffed by representatives from the Department of Community Affairs (DCA) and the Department of Industry, Trade, and Tourism (DITT), and is designed to bring state resources closer to the people and to foster regional collaboration in community and economic development. Personnel in the Augusta office work side-by-side with staff of Georgia Tech's EDI and the University of Georgia. Together the regional staff works to better serve the needs of local governments established businesses, and other development partners. A 21-member Regional Advisory Councils provides regular guidance to regional and state staff on issues such as leadership, infrastructure, growth management, and workforce development. The Council also works with the CSRA Regional Development Centers to formulate a regional comprehensive plan and work program.

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4.5.2 Financing Mechanisms

- **U. S. Small Business Administration (SBA) Loan Programs** – Includes the following loan programs – SBA 504, SBA 7(a) and SBA Low-Doc. SBA 504 can be used for fixed assets, such as land, buildings, machinery and fixtures. SBA 7(a) and Low-Doc can be used for most purposes, including inventory, working capital, vehicles and business acquisitions. Regionally, the CSRA Development Companies administers the SBA 504 program. A bank is the lender on the 7(a) and Low-Doc programs, with the SBA guaranteeing the loans.
- **CSRA Revolving Loan Fund** – An internal revolving loan fund of the CSRA Development Companies. Loans up to \$150,000 available for most purposes. CSRA Development Companies prefers that revolving loan fund only part of project costs.
- **Industrial Revenue Bonds** - Industrial Revenue Bonds (IRBs) are financing instruments issued through the Development Authority of Richmond County, Georgia. Both taxable and tax-exempt industrial revenue bond financing is available at competitive, below-prime interest rates. IRBs provide financing for land, building and equipment acquisition for new and expanding manufacturing plants.
- **Link Deposit Program** – The Link Deposit Program is designed to provide eligible small, minority and women-owned businesses additional sources of loan funds. Program administered by the Augusta Human Resources Department in cooperation with two banks.
- **Economic Development and Recaptured UDAG Loan Fund Programs** - The Economic Development and Recaptured UDAG Loan Fund Programs were created to finance development projects, establish new businesses and/or expansion of existing businesses, and create employment opportunities and/or retain existing jobs for low and moderate-income persons. Economic Development Loans range between \$5,000 and \$25,000, with repayment periods of up to 7 years. Recaptured UDAG Loans - Loans are between \$25,000 and \$150,000, with repayment period of up to 10 years. Examples of eligible use of funds include business acquisition and construction, land acquisition, purchase of equipment and machinery, working capital, and pollution control and abatement. The Housing and Neighborhood Development Department administers the programs.
- **Enterprise Zone Program** – Two enterprise zones have been established in the city of Augusta under provisions of the Georgia Enterprise Zone Employment Act of 1997. The Act allows the city to offer tax and other incentives to eligible businesses that create jobs areas within the city suffering from underdevelopment and economic decline. Qualifying businesses and service enterprises are exempt from state, county, and municipal ad valorem taxes, except for the portion of taxes that are collected for the school district, in accordance with the following schedule:
 1. 100% of the property taxes shall be exempt for the first five years
 2. 80% of the property taxes shall be exempt for the next two years
 3. 60% of the property taxes shall be exempt for the next year
 4. 40% of the property taxes shall be exempt for the next year
 5. 20% of the property taxes shall be exempt for the last year

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The two designated enterprise zones are the Laney-Walker Enterprise Zone near downtown, and the Rocky Creek Enterprise Zone centered on the area around Regency Mall. The Housing and Neighborhood Development Department administers the program.

- **Mayor's Business Investment Grant** – This program provides a \$2,500 reimbursable grant for start-up costs of eligible new businesses locating in the Laney Walker Enterprise Zone. Eligible businesses must be a community-serving retail or service business, provide stimulation to blighted areas, and comply with city regulations. The owner must complete a business development-training program. The Housing and Neighborhood Development Department administers the program.
- **Georgia's Business Expansion and Support Act of 1994 (B.E.S.T.)** allows statewide job tax credit and investment tax credits for businesses locating or expanding in Georgia.

1. **Job Tax Credit:** Tax liability for any one-year may be reduced by a maximum of 100%. Eligible businesses include those involved in manufacturing, warehousing, distribution, processing, tourism and research and development. This credit may be carried forward up to ten years.

Tier County	Jobs Created	Tax Credit	% Tax Liability
1 Burke	5	\$3,500	100
2 Richmond	10	\$2,500	100
3 Counties	15	\$1,250	50
4 Columbia	25	\$750	50

2. **Job Tax Credit Joint Development Authorities:** Legislation provides for an additional \$500 job tax credit for counties that are members of a Joint Development Authority, which is the case for Columbia, Richmond and Burke counties.
3. **Investment Tax Credit:** Available to manufacturers or telecommunications companies having a presence in Georgia for at least 5 years. The company must spend at least \$50,000 on an expansion project.

Tier County	% Investment Credit	% Recycling, Pollution Control & Defense Conversion Activities
1 Burke	5	8
2 Richmond	3	5
3 Counties	1	3
4 Columbia	1	3

4. **Optional Investment Credit:** Larger credits can, depending on location, offset up to 90% of a manufacturer's increased income tax liability following a major expansion. These larger investment tax credits can be carried forward for 10 years but may not be taken in conjunction with the job or investment tax credits.

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Tier County	Minimum Investment (mill)	Tax Credit %
1 Burke	\$5	10%
2 Richmond	\$10	8%
3 Counties	\$20	6%
4 Columbia	\$20	6%

5. **Retraining Tax Credit:** Firms providing retraining for employees may receive a tax credit of 25% of their costs, up to \$500 per participant, to a maximum of 50% of state income tax liability.
6. **Corporate Headquarters Tax Credit:** Companies establishing or relocating their headquarters to Georgia may be eligible for a tax credit if the headquarters is defined as the principal central administrative offices of a company. New jobs created at the new headquarters must be full-time and must pay above the average wage.

Tier County	Minimum Investment (mill) Tax Credit %
1 Burke	105%
2 Richmond	110%
3 Counties	115%
4 Columbia	115%

7. **Ports Job Tax Credit:** Companies that increase traffic shipped through Georgia ports by 10% or more in a year may be eligible for larger job tax credits. The amount of the bonus tax credit for qualifying firms is \$1,250 per job. Applicants must also be eligible for job tax credits under the B.E.S.T. legislation
8. **Research and Development Tax Credit:** A tax credit is allowed for expenses of research conducted within Georgia for any business or headquarters of any such business engaged in manufacturing, warehousing and distribution, processing, telecommunications, tourism and research and development industries.
9. **Child Care Credit:** Employers providing or sponsoring child care for employees are eligible for a tax credit of 75% of their costs, up to 50% of state income tax liability.
10. **Small Company Business Growth Tax Credit:** A tax credit is granted for any business or headquarters of any such business engaged in manufacturing, warehousing, and distribution, processing, telecommunications, tourism, and research and development industries having a state net taxable income which is 20% or more above that of the preceding year if its net taxable income in each of the two preceding years was also 20% or more.

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11. Sales Tax Exemptions:

- Manufacturing Machinery
 - Raw materials
 - Purchase for resale
 - Machinery purchased new and used directly in the manufacturing process
 - Pollution control equipment
 - Machinery components
 - Computer equipment
 - Cleanroom equipment
 - Primary material handling
 - Electricity
- **One Georgia Fund:** The One Georgia Authority will channel one third of the state's tobacco settlement to economic development projects for Tier 1 and 2 counties and, in certain instances, Tier 3 counties. Flexible assistance will be provided in the form of loans and grants to support local and regional economic development strategies. While the authority will support traditional economic development projects, it will also support innovative solutions to local and regional challenges.
 1. **Edge Fund** - Special financial assistance is provided to eligible applicants in Tier 1 and 2 counties for locating economic development projects. Limited resources are available for communities when a project is considering one site in the State of Georgia and competing against another state. Response to applications is quick due to the sensitive nature of projects and their tight timeframes. Eligible applicants are city or county governments, development authorities or other public entities.
 2. **Equity Fund** - The purpose of this fund is to provide a program of financial assistance that includes grants or loans and any other form of financial assistance to provide for infrastructure, services, facilities and improvements. Eligible applicants are cities, counties, development authorities or other public entities. Resources are limited and are awarded several times each year. Companies must have a health care plan available for employees and meet state requirements for better pay.

4.6 Summary of Economic Development Needs

Augusta is the economic hub of a market area that extends beyond the metropolitan area to include a number of the adjoining rural counties. The city is projected to remain the regional center of employment and trade in the foreseeable future. However, as the information in this chapter and other reports indicate, the community has several economic development needs to address as time goes by. These needs include:

- Additional diversification of the economic and employment base
- Offer additional incentives to attract new business and industry
- Increase wage levels in all sectors currently below the state average
- Increase household and per capita income levels in relation to state and national averages
- Decrease the unemployment rate in relation to state and national averages
- Work to retain and expand existing business and industry